

Missouri Attorney General
CHRIS KOSTER



2010 Annual Report



Fellow Missourians,

I'm grateful to you for giving me the opportunity to serve as your Attorney General and to work every day on behalf of Missourians. I'm also proud to say the Attorney General's Office had a very successful year representing your interests in 2010. To give you a better understanding of all that our office does to protect Missouri citizens, this Annual Report details what each division of the Attorney General's Office accomplished last year. Here are a few examples:

- We promoted Internet Safety by launching several new Internet safety pages on our website, and by sending our public education director to speak with nearly 7,000 students and parents about dangers that can be encountered on the Internet.
- We protected the environment through our Clean Water Initiative, filing more than 50 cases against those who pollute Missouri waterways.
- We investigated and prosecuted scam artists who prey on vulnerable Missourians.
- We kept criminals in prison by defending their criminal appeals and defending the state against frivolous inmate lawsuits.
- We helped law enforcement put those who victimize children behind bars with our Crimes Against Children Forensic Lab.
- We recovered taxpayer money stolen through Medicaid fraud and continued our leadership role among the states to prevent such fraud across the country.

In these lean times, all of us in the Attorney General's Office understand the need to spend taxpayers' dollars judiciously. In 2010, this office saved or generated \$13.07 for every taxpayer dollar we spent.

It goes without saying that none of these successes would be possible without our outstanding staff. They are consummate professionals who are compassionate, empathetic, and committed to justice, and they work very hard on your behalf.

Thank you for allowing me the privilege of serving as your Attorney General. I hope you will contact our office if there is anything we can do for you.

Respectfully,

CHRIS KOSTER
Attorney General



Saving Money for Missouri Taxpayers

THE ATTORNEY GENERAL'S OFFICE IS COMMITTED TO SAVING MONEY FOR MISSOURIANS

Funds spent by the Attorney General's Office in 2010	\$25,714,596
Funds generated or saved by the Attorney General's Office in 2010	\$336,041,669

Dollars Generated or Saved by the Attorney General's Office:

Agriculture and Environment	\$1,295,739
Consumer Protection	\$15,961,000
Financial Services	\$21,324,405
Governmental Affairs	\$153,484,738
Labor	\$2,629,895
Litigation	\$95,499,528
Public Safety	\$45,846,364

***FOR EVERY DOLLAR SPENT, THE ATTORNEY GENERAL'S OFFICE
GENERATED OR SAVED \$13.07 FOR MISSOURI***



Promoting Internet Safety

Attorney General Koster launched new Internet safety web pages in October 2010 as part of Internet Safety Month in Missouri. In conjunction with the new web pages, Attorney General Koster directed Public Education Director Tom Durkin to give public-service presentations throughout the state. As of January 2011, Durkin had spoken to nearly 7,000 students and parents, addressing a range of important topics associated with Internet safety including information about social network sites such as Facebook and MySpace.

"The Internet opens up a world of possibilities for our young people. But it can also open them up to a world of danger. My office will continue to warn children and parents throughout the year about possible dangers on the Internet, and fight to keep Internet content appropriate."

Attorney General Chris Koster



Agriculture and Environment

The Agriculture and Environment Division aggressively protects Missouri's natural resources. Our attorneys prevent and remediate pollution of the state's air, water and soil by going after polluters to impose injunctions, fines, penalties, and in the most serious cases, incarceration.

The division also works to protect and enhance agriculture and the quality of life for rural Missourians by enforcing the law and advocating responsible public policy.

Division attorneys represent the Department of Natural Resources and its constituent boards and commissions, which regulate the use of the state's air, land, and waters. The division is responsible for about 500 active cases, including administrative appeals before the department. Enforcement litigation is filed primarily in state courts, seeking preliminary and permanent injunctions to ensure compliance with Missouri's environmental laws.



In 2010, the Attorney General reached a historic settlement with Premium Standard Farms over the operation of its hog farms in northern Missouri. The consent judgment required the company to pay \$1 million for schools and road improvements in six Missouri counties. In addition, the company must follow an aggressive schedule for the installation of next generation technology to reduce odor emissions, and it must decrease the population of its farms until installation is complete.



Agriculture and Environment (continued)

Agriculture and Environment Division 2010 Initiatives:

CLEAN WATER INITIATIVE

Because safe, clean water remains crucial to both environmental stewardship and Missouri's economy, the Attorney General has continued his Clean Water Initiative.

To ensure that we provide our children with an environment as healthy and pristine as we were provided by our parents, the Attorney General's Office strives to protect our streams, rivers, and groundwater from chemical and bacterial contaminants. As Missourians, we share the opportunity and the obligation to protect these valuable resources. We must keep our waters from being choked with contaminants that destroy a sound ecosystem.

As a part of the Clean Water Initiative, the Attorney General filed over 50 water enforcement cases in Missouri courts in 2010 seeking penalties and court orders for violations of Missouri's Clean Water Law. This includes a historic agreement with the Doe Run Company that will require the company to clean 8.5 miles of Bee Fork Creek at a cost of \$5.8 million and overall penalties and injunctive relief valued at \$72.8 million.

LAKE OF THE OZARKS

The Lake of the Ozarks represents, in many respects, what is best in Missouri. So many families have enjoyed the lake that it has become our common heritage, connecting everyone who has witnessed its beauty. The lake provides power for homes and industries and drives the economy in central Missouri, generating \$5 billion of economic activity annually.

The Attorney General's Office took two important steps this year to protect the Lake of the Ozarks. First, in order to ensure the highest level of compliance by regulated facilities, the office aggressively pursued cases referred to us through Governor Nixon's Lake of the Ozarks initiative, filing 20 cases against violators of Missouri's Clean Water Law.

Second, the Attorney General organized the Lake of the Ozark Symposium in August 2010 to plan for the long-term protection of the lake. The symposium assembled experts on all topics relating to the health and development of the lake. The information gathered by the Attorney General has allowed the development of 12 recommendations for ensuring the protection of the lake from all threats. The report and recommendations are available on the Attorney General's website.



Agriculture and Environment (continued)

SIGNIFICANT OUTCOMES FOR THE DIVISION:

- Obtaining a \$1,000,000 settlement from Premium Standard Farms for violations of a 2004 consent judgment.
- Reaching an agreement with the Doe Run Company on a federal consent decree imposing a civil penalty of \$7 million and injunctive relief of an estimated \$65.8 million.*
- Brokering a settlement valued at \$6.7 million for Missouri's claims in the bankruptcy case filed by Tronox, Incorporated.*
- Recovering \$1.7 million from the GM bankruptcy estate to pay for cleanup at the former Leeds Assembly Plant in Kansas City.*
- Receiving over \$150,000 from Lafarge North America, Inc. for water and solid waste violations resulting from major spill of scrubber fly ash.
- Getting a \$100,000 judgement from Saint-Gobain Containers, Inc. for air violations.

*While the GM, Tronox, and Doe Run settlements were reached in 2010, the money will be received in 2011 or later.



Civil, Disability, and Workers' Rights

In 2010, the Civil, Disability, and Workers' Rights Division enforced Missouri's prevailing wage, minimum wage, and child labor laws, and provided enforcement counsel to the Missouri Department of Labor and Industrial Relations, Division of Labor Standards. Division attorneys also served as counsel to the Missouri Commission on Human Rights in cases before the Administrative Hearing Commission and subsequent appellate courts. Division attorneys participated in educational and outreach efforts to improve enforcement of disability and workers' rights laws across the state. Finally, the division attorneys enforced the Missouri Unauthorized Alien Worker statute.

Notable cases:

- The division finalized consent decrees with multiple developers and builders of condominiums in the Lake of the Ozark area to bring covered units into compliance with the Missouri Human Rights Act's accessibility requirements.
- The division filed charges against Reynolds Construction for failure to pay prevailing wage on a public works project in Boone County. The defendant entered into a deferred prosecution agreement, under which formal proceedings can be immediately resumed for two years after execution of the agreement should the defendant violate the prevailing wage law.
- The division received complaints against ten companies for employing unauthorized alien workers. Subsequent investigations resulted in the business terminating the unauthorized workers and implementing E-Verify – a federal program for employers allowing them to verify the validity of social security cards and immigration information.

For more than 50 years Missouri law has required that prevailing wages be paid on state public works and construction projects. Our office will aggressively take action against any contractor who knowingly violates the law by not paying workers what they are due.

Attorney General Koster



Consumer Protection Division

The Attorney General's Consumer Protection Division has moved Missouri toward a more open and honest marketplace since the adoption of Missouri's Merchandising Practices Act 42 years ago. The division also serves a vital role in enforcing Missouri's antitrust, securities, telemarketing, nonprofit, charitable trust, and foundation laws.

In addition to having the authority to initiate both civil and criminal prosecutions against wrongdoers, the Attorney General is responsible for investigating unfair and deceptive business practices. Our investigators receive and review complaints, assist in issuing pre-litigation subpoenas, and assist in search warrant applications.

In 2010, the Consumer Protection Division responded to 79,370 consumers who contacted the office either to lodge a complaint or to request information. Division staff recovered \$7,127,000 in restitution through investigations and informal mediation with businesses. Through actual litigation on behalf of Missouri citizens, the division obtained 43 formal settlement agreements, injunctions, or other judgments preventing deception, unfair practices, investment fraud, anti-competitive conduct, and violations of the telemarketing (No-Call) laws, along with monetary recoveries for consumer restitution totaling another \$8,834,000.

TOP TEN CONSUMER SCAM LIST

1. *Debt Collectors (2225 complaints)* - 2010 saw an increase in the number of complaints filed against debt collectors. Many consumers who file complaints indicate they are being harassed by debt collectors for debts they may not even owe. Others claim the debt collection agencies are abusive, threatening, and include repeated calls when attempting to collect a debt even after consumers have notified the debt collection companies to cease contacting them. In an effort to protect consumers from these abusing practices, the Attorney General has filed actions against debt collectors alleging violations of Missouri's Merchandising Practices Act.
2. *Credit and Debit Cards (1575 complaints)* - Telemarketers continually look for new ways to scam Missourians out of their money. We receive many complaints from citizens whose money has been stolen through unauthorized debits from their checking account or by accessing their credit card information. Scams such as these can occur by telephone, email or text messaging. Attorney General Koster urges consumers not to provide any personal information to an unknown source unless the consumer initiates the call. These high-tech thefts violate state and federal criminal laws. The Attorney General prosecutes this fraud in the sale of merchandise, but cannot prosecute "phishing" scams which do not involve a sale.
3. *Telephone Cramming (1477 complaints)* - Cramming happens when you receive a charge to your phone bill for services you did not order. Consumers should thoroughly review their telephone bills to determine whether they are victims of telephone cramming. Cramming charges range from as small as \$1 or \$2, which consumers may not even notice, to much larger amounts that consumers believe they actually owe. The Missouri Attorney general advises consumers who notice unwarranted charges to contact their carriers and request the charges be removed. This office has investigated numerous incidents of this fraud and gotten many of these charges removed from consumers' bills. In addition to filing a complaint with this office, consumers should notify the Missouri Public Service Commission, which regulates the carriers, at <http://www.pcs.mo.gov/file-a-complaint>.



Consumer Protection Division (continued)

4. *Mortgage/Foreclosure/Loan Modifications (1204 complaints)* - Many struggling homeowners have filed complaints concerning foreclosure on their homes or the loan modification process. Homeowners complain about the relentless requests for paperwork already provided or lost by the lender. In addition, complaints have been filed because consumers who actually get temporary loan modifications fail to get permanent solutions. The Attorney General's Office has been working alongside other attorneys general in a 50-state investigation, demanding that banks stop these abusive practices.
5. *Home Repair and Remodeling (1083 complaints)* - Complaints against home improvements and home repair contractors are a common consumer complaint. The typical scammer will go door to door asking for money up front from vulnerable consumers. Most door-to-door schemes involve asphalt driveway scams, roof and chimney repairs, and remodeling work inside the home. These types of complaints involve scam artists who are not licensed, are not from the area, do not provide a detailed contract and usually demand cash payments. This fraud, which ranks in the top ten nearly every year, has become increasingly sophisticated through schemes designed to conceal the identities of the swindlers. The Attorney General has opened investigations into several "traveler" organizations, and criminal charges are pending.
6. *Lotteries and Sweepstakes (933 complaints)* - "Congratulations, you have just won \$10,000!" Attorney General Koster warns consumers to be leery of telephone calls, emails or letters with statements like this. Scam artists often use the promise of a valuable prize or award to entice consumers to send money, buy overpriced products or services, or contribute to bogus charities. People who fall for their ploys may end up paying more and more for the products - if they even get them at all. Foreign lottery promotions are the largest type of lotteries that affect consumers nationwide. Attorney General Koster warns consumers not to pay to collect their winnings. Also, don't wire or transfer funds to a company you don't know. Once you do this, it is very difficult to find the con artist or recoup your money.
7. *Pre-Need Burial Plans/Funeral Home/Cemeteries (887 complaints)* - The Attorney General's Office actively pursues companies that do not properly handle money paid to them by consumers for pre-need services. Under Missouri law, the funeral home is required to put 80 percent of the purchase price into a trust fund accessible only to cover funeral expenses. Consumers have a right to see a record of all transactions on their behalf in the trust account. You can cancel a pre-paid funeral plan at any time and get your payments refunded, minus 20 percent of the original purchase price. As an alternative to pre-paid funerals, consumers can set money aside in their own savings or trust account, to be used for a funeral at the time of death. The sale of these pre-need contracts is now regulated by a state board in the Missouri Division of Professional Registration. Consumers should also consider filing any complaints with that division at <http://pr.mo.gov/embalmers.asp>.
8. *Cable/Satellite Services (864 complaints)* - Complaints against cable and satellite companies continue to rise. In addition to faulty installations and price discrepancies, many consumers have filed complaints with regard to cable and satellite companies ceasing free programming or channels for which consumers purchased specific packages, such as NFL Sunday Ticket. This past year, the Attorney General has aggressively pursued companies such as Dish Network and Direct TV to prevent further deceptive and unfair practices.



Consumer Protection Division (continued)

9. Automobile Repair (644 complaints) - Automobile repairs make up one of the largest groups of consumer complaints. While most repair shops are honest, it is very easy for an unethical mechanic to convince car owners that unnecessary repairs are needed because the average person does not know much about their cars. People often have no idea that they have been ripped off. The Attorney General advises consumers to make sure they get a written estimate before repairs are made, to have repairs made by a certified mechanic who honors the existing warranty, and to make sure repairs are guaranteed. While the number of complaints against any particular repair shop may not be large, consumers should also investigate the company by checking complaints with the Attorney General's Know Mo business complaint database at http://www.consumer.ago.mo.gov/Know_Mo/.

10. Automobile Warranty/Service Contractors (625 complaints) - Attorney General Koster continues to receive complaints from consumers who purchased automobile extended service contracts. Complaints vary, but most involve misrepresentations by telemarketers selling the product, trouble getting refunds and undisclosed limitations on coverage. Since the Attorney General formed his Auto Service Contract Task Force and began prosecuting marketers and sellers of these extended mechanical coverage contracts, these complaints have dropped from the top of the list in 2009 to tenth place in 2010. This year the Attorney General will work with the Missouri General Assembly to pass needed improvements in consumer protection laws so that consumers will have the information they need to make an informed decision before they pay for the contract.

MORTGAGE SCAMS, FORECLOSURE RESCUE, AND CREDIT

Attorney General Koster continued his “zero tolerance” campaign against mortgage scams in Missouri in 2010.

Joining with the Federal Trade Commission, Attorney General Koster and the California Attorney General obtained a consent judgment against US Foreclosure Relief Corp. and its three officers, barring them from selling mortgage modification or foreclosure relief services. The government also obtained \$1 million from defendants for consumer restitution. Missouri’s foreclosure consultant law bans companies from charging any fees until the services are performed. US Foreclosure was charging consumers a fee of \$1,850, along with a processing fee of \$500, and providing no services.

The Attorney General also obtained judgments for consumer restitution totaling \$116,000 and injunctions barring two other foreclosure rescue companies from operating in Missouri. These scams advised consumers to stop making mortgage payments and directed consumers to send those funds to the foreclosure relief company, while promising to facilitate a loan modification. Unfortunately, consumers received no significant assistance. In response to widely reported document irregularities in foreclosures, including reports of false affidavits and “robo-signing,” attorneys general in all 50 states and state banking regulators joined forces to investigate. The investigation is ongoing and has been broadened to encompass complaints from consumers experiencing financial hardship exacerbated by the fleeting promises of temporary modification programs.



Consumer Protection Division (continued)

AUTO SERVICE CONTRACT TASK FORCE

To prosecute telemarketers who sell illegal motor vehicle extended service contracts, the Attorney General organized a task force in March 2010 to study the practices and to develop legislation and regulations that would appropriately regulate the sale of these contracts.

Task force members included representatives from the service contract, financing, and automobile dealer industries. John Huff, director of the Department of Insurance, Financial Institutions, and Professional Registration; and Michelle Corey, president of the Better Business Bureau of Eastern Missouri, also participated. After hearing from consumers and industry representatives in April and June 2010, Attorney General Koster released a comprehensive report and recommendations. The full report is available on the Attorney General's website at <http://www.ago.mo.gov>.

INCREASING MARKET COMPETITION

Attorney General Koster serves as the national co-chair of the antitrust committee of the National Association of Attorneys General and is a leading voice for antitrust prosecutions nationally. In 2010, he led state attorneys general in bringing actions against 17 multinational electronic manufacturers, alleging a conspiracy to fix prices of screens used in computers, cell phones, and other products between 1999 and 2006. The Attorney General is seeking court injunctions requiring open competition and restitution to Missouri consumers, businesses, and governmental agencies.

Attorney General Koster has also joined with other state attorneys general and the United States Department of Justice in filing actions against American Express, Master Card, and Visa for agreeing not to compete when, by contract, they prohibited retailers from showing any preference for one of the cards over another. This agreement has stopped merchants from recognizing credit card cost differences or from passing these negotiated savings along to consumers.

In another major antitrust enforcement action, Attorney General Koster announced a settlement with Bank of America returning \$2.7 million to Missouri municipalities, school districts, and non-profit organizations for loss attributable to bank bid-rigging in the purchase of municipal bond derivatives.

PROTECTING CONSUMERS FROM SATELLITE TV UNFAIR PRACTICES

Just as the hockey season was getting underway and after weeks of advertising itself as “the official provider network of the St. Louis Blues,” satellite provider DISH Network announced it would not be carrying the Blues because it had been unable to secure a contract with Fox Sports. The Attorney General moved quickly, demanding that DISH allow any consumer wishing to cancel the subscription to do so without paying a cancellation fee. This year’s investigation came on the heels of a review last year by 48 states, in which the Attorney General led an investigation into related practices that resulted in DISH paying \$325,000 in penalties and costs, along with restitution to consumers who were misled by the satellite company’s sales practices.



Consumer Protection Division (continued)

Although the 2010 investigation of DISH was resolved through informal resolution of consumer complaints after DISH was able to reach an agreement with Fox Sports to resume sports programming, the Attorney General has advised satellite providers that programming disruptions will not be shouldered by consumers, and cancellation fees in those circumstances may be unfair.

Missouri also settled an investigation into deceptive and unfair sales practices by Direct TV. The Attorney General obtained a monetary recovery of \$185,000 in penalties and costs, along with restitution to consumers who were misled by the satellite company's sales practices. Consumers complained that the company failed to clearly communicate the price and length of their contracts and limitations on the availability of lower prices. Consumers also complained that they were being enrolled in new contracts when replacing defective equipment.



Criminal Division

The Criminal Division represents the state in nearly every felony case, including capital cases, appealed to the Missouri Supreme Court and the three districts of the Missouri Court of Appeals. The division also represents the state in civil appeals filed in Sexually Violent Predator commitment cases.

In 2010, the Criminal Division filed 843 appellate briefs in the courts of our state, advocating on behalf of the safety of Missourians.

NOTABLE CASES:

State v. Richard Davis – The Missouri Supreme Court upheld Richard Davis's convictions and death sentence for first-degree murder, kidnapping, forcible rape, forcible sodomy and assault committed against two Kansas City women. Davis and his girlfriend videotaped their crimes against the two victims, including the murder of one of the women.

State v. Brian Dorsey – The Missouri Supreme Court upheld the convictions and death sentence of Brian Dorsey, who pleaded guilty to murdering his cousin and her husband. Dorsey also raped his cousin, and then stole her belongings so that he could sell the items to pay a drug debt.

State v. Judy Pickens – The Missouri Court of Appeals for the Eastern District upheld convictions for the second-degree murder of Judy Pickens's three-year-old son and first-degree assault of her five-year-old daughter in St. Louis. Pickens repeatedly poisoned the children with her blood pressure medication, even after they were admitted to the hospital for treatment, thwarting the efforts of medical personnel to treat the children.

State v. Spencer Harding – The Missouri Court of Appeals for the Western District affirmed Spencer Harding's first-degree murder conviction for the October 2005 strangulation and bludgeoning death of a Carrollton woman. Harding was identified as the culprit through a combination of eyewitness and physical evidence, including the presence of the victim's blood inside Harding's pickup truck and of Harding's DNA on a beer can found near the body.

In the Matter of the Care and Treatment of James Brasch – James Brasch challenged the constitutionality of the Sexually Violent Predator Act, arguing that he was not treatable and, thus, should not be civilly committed. The Missouri Supreme Court upheld the constitutionality of the Sexually Violent Predator act.

William Cone v. State – The Missouri Court of Appeals for the Western District upheld the denial of William Cone's motion for post-conviction relief. Cone was formerly a psychiatrist in West Plains. He was convicted of nineteen counts of sexual assault for having sexual relations with two patients and was sentenced to 133 years imprisonment.



Financial Services Division

The Financial Services Division includes a Child Support Modification Unit, which litigates to enforce and modify child support obligations, and a Recovery Unit, which recoups money owed to the state.

The division filed more than 1900 support modification cases in 2010. Through the efforts of the Financial Services Division attorneys and support staff, more than 3,000 children and their families should receive almost \$18 million in child support over the life of their support orders.

Division attorneys litigate cases under the Missouri Incarceration Reimbursement Act to seek reimbursement for an inmate's cost of care. In 2010, our attorneys and staff opened 127 new cases and recovered over \$648,000.

Another service the division provides to Missouri is to recover restitution from probate estates when the deceased received Medicaid or other state benefits. In 2010, division attorneys returned more than \$8.8 million to Missouri coffers.

In 2010, the Financial Services Division collected more than \$21.3 million for Missourians.



Governmental Affairs Division

The Governmental Affairs Division serves and protects the safety and well-being of Missouri citizens by ensuring that professionals who are required to be licensed by the state (e.g., doctors, pharmacists, nurses, appraisers) adhere to state laws and disciplinary rules; by enforcing state ethics and campaign finance laws; by removing caregivers who abuse or neglect vulnerable citizens; by prosecuting violations of nursing home standards; by helping the mentally ill or physically challenged obtain guardians; by ensuring appropriate Medicaid reimbursement; by enforcing the tobacco Master Settlement Agreement; and by representing the Missouri Lottery Commission.

In 2010, the division's Professional Licensing Unit prosecuted 423 professional licensees for violations involving misconduct, negligence, or incompetence in the practice of their professions. Discipline ranged from reprimands to the revocation of licenses.

- The division in 2010 received more than 30 teacher discipline referrals and finalized 50 cases. As a result, teacher certifications were surrendered, suspended, and, in 15 cases, revoked. Revocations occurred in cases where the division proved teachers had committed crimes, including theft, tax evasion, fraud, drug possession, drunk driving, and child abuse or neglect. Ten of these abuse and neglect cases involved revocation due to sexual contact with students.
- The division suspended the license of a structural engineer who made incorrect calculations regarding footings on a commercial building and failed to make other uplift calculations for the building. The engineer also acted as a lead design professional and performed architectural services for multiple commercial buildings, which is beyond his scope of practice as a structural engineer.
- The division substantiated five counts of physical abuse and two counts of verbal abuse against an employee of a mental health services contract service provider. While on a community outing with developmentally disabled adults, the employee repeatedly physically abused and made verbal threats to the disabled adults. As a result, that employee was placed on an employment disqualification list and is disqualified for life from employment by the Department of Mental Health, any of its contract providers, the Department of Health and Senior Services, or any of its contract providers or licensees.

During 2010, the division assisted the Division of Social Services' Medicaid program in its efforts to recover more than \$6 million improperly billed to Missouri's program.

To promote and enforce open government laws, the division responded to nearly 100 inquiries each month regarding the Sunshine Law in 2010. Questions came from county and municipal employees, elected officials, and private citizens on issues ranging from releasing public records to posting meeting notices to properly closing meetings. The division also sent out hundreds of copies of a helpful booklet published by this Office entitled "Missouri Sunshine Law." The division settled circuit court actions against two public governmental bodies. Under the terms of those settlement agreements, the body or its members paid penalties, and for a period of two years, must regularly provide the division with copies of meeting notices, minutes, and sunshine requests and responses.

The division's Mental Health Unit in 2010 prosecuted more than 40 abuse and neglect cases and litigated approximately 75 guardianship cases.



Governmental Affairs Division (continued)

TOBACCO MASTER SETTLEMENT AGREEMENT

The Tobacco Unit continues to vigorously investigate and litigate violations of the Tobacco Settlement Agreement Act. During 2010, the Tobacco Unit brought lawsuits against tobacco companies across the country and around the world. In one case against a company from the United Arab Emirates, the Tobacco Unit obtained a judgment for \$460,000 in escrow for future health costs and \$1.3 million in penalties. The Tobacco Unit also negotiated with and convinced several companies to deposit required funds into escrow for future health costs without filing a lawsuit. One company paid an additional \$17,000 in escrow on demand, while a company from South America paid an additional \$130,000 in escrow.

In 2010, Missouri passed Complementary Legislation, which prohibits the sale of unauthorized cigarettes and prohibits the sale of cigarettes on which escrow for future health costs has not been paid. Complementary Legislation will assist the Tobacco Unit in enforcing the Tobacco Settlement Agreement Act.

The Tobacco Unit has also defended a case brought by the major tobacco companies, who have continued to undermine the public health and the public restitution goals of the 1998 Tobacco Master Settlement Agreement (MSA) by attempting to withhold from the States almost 20% of the annual payments they owe the States, starting with the 2004 payment.

Since Missouri entered into the MSA, it has received nearly \$1.7 billion in payments from the tobacco companies that joined the MSA.



Labor

The Labor Division attorneys provide general counsel and litigation services for the Missouri Department of Labor and Industrial Relations and its officers and agencies. The division also represents the state in crime victims' claims and workers' compensation cases of state employees, including claims involving the Second Injury Fund.

In 2010, the Labor Division opened 9,324 claims and obtained 6,073 dismissals.



The Labor Division calculated that the division saved the Second Injury Fund more than \$2.6 million in 2010.



Litigation Division

The Attorney General's Litigation Division defends the state and its elected officials, departments, agencies, and employees against hundreds of lawsuits each year. Division attorneys also handle some of the most complex legal issues facing the state, including defending constitutional challenges to state laws; advancing the state's interest in complex cases; defending suits brought against the Missouri Highway Patrol and its Troopers; defending the Boards of Police Commissioners and the police officers of the city of St. Louis and Kansas City; defending the state in employment and tort cases; and defending lawsuits filed by inmates.

In 2010, the Litigation Division closed 413 cases, including 127 lawsuits filed by inmates against the state. The work of the attorneys in the Litigation Division saved Missouri taxpayers approximately \$95,499,528 dollars.

NOTABLE CASES:

Oren Gamble v. Browning, Kansas City Police Department, et al. Oren Gamble sued the Kansas City Metropolitan Police Board and two of its officers seeking \$5 million for false imprisonment. Mr. Gamble claimed he was a confidential police informant when arrested and that his arrest was illegal entrapment. He spent five years in prison following his arrest and sentencing. After being released from prison, he sued. At trial, Mr. Gamble introduced into evidence a videotape purporting to show a co-defendant (and long-time accomplice) corroborating Gamble's claim. Division attorneys' pre-trial investigation discovered evidence that the videotape was false and that the co-defendant had accepted money for participating in its making. The jury found for the defense.

Shyheid deen El-Mu'min v. David Dormire, et al. Shyheid deen El-Mu'min, an inmate at Jefferson City Correctional Center, filed a prisoner civil rights case in federal court arising from the corrections department's use of so-called "restraint benches." Offender El-Mu'min alleged that his legs were paralyzed after he was forced to sit on a metal bench for four days without food. Attorneys from the division persuaded the jury that El-Mu'min chose to be placed on the restraint bench when he orchestrated the organized disobedience of several other inmates. The attorneys convinced the jury that any nerve damage El-Mu'min suffered was caused not by the bench but by two bullets lodged in his spine from a botched robbery he had committed years earlier.

Asamoah-Boadu d/b/a Sam's Janitorial Service v. Office of Administration. Division attorneys convinced a Missouri appeals court to overturn a trial court's award of over \$150,000 as damages for breach of janitorial contracts. The state had terminated the contracts of Sam's Janitorial in March 2007 when federal immigration authorities detained a number of Sam's employees, citing that the company was in violation of federal immigration laws. While upholding the breach of contract determination, the Court of Appeals reversed the damage award, finding that since the contracts permitted termination on 30 days' notice for any reason, the expectation of the contract continuing did not extend beyond that, thereby limiting the damages to 30 days' payment.

The division, together with the deputy solicitor general, has successfully defended numerous cases brought by sex offenders seeking removal from the state's registry and exemption from sex offender registration requirements. These efforts have helped ensure that sex offenders who are not entitled to removal remain subject to applicable registration requirements.



Public Safety Division

Attorneys in the Public Safety Division assist local prosecutors in complex or difficult trials and grand jury proceedings. They also prosecute workers' compensation fraud and noncompliance cases; prosecute abuse and neglect of nursing home residents and Medicaid fraud cases; train law enforcement officers and state troopers; civilly commit sexually violent predators; assist law enforcement and prosecutors with computer crimes involving children; and represent the state in habeas corpus cases filed by convicted prisoners seeking release.

Special prosecutions unit attorneys assist local prosecutors in complicated trials when directed to do so by the Governor or by a court. At the end of 2010, the division had 483 active special prosecutions pending in 89 counties and the city of St. Louis. The unit received 212 new criminal cases to investigate and prosecute from 62 counties and the city of St. Louis during calendar year 2010. This legal work saved counties \$2.1 million in 2010.

In 2010, division attorneys worked on more than 50 different murder cases. Other types of cases handled by the unit included armed criminal action, rape, child molestation and sexual abuse, driving while intoxicated, kidnapping, arson, domestic assault, identity theft, financial exploitation of the elderly and disabled, burglary, and public corruption.

NOTABLE CASES:

State v. Joseph Jones. Joseph Jones was convicted of murder in the first degree and sentenced to life in prison without possibility of parole for killing Tyrone Stamps in August 2006. Jones and his cousin had entered a Kansas City, Missouri, apartment complex armed with a 12-gauge shotgun and threatened individuals before blasting five shots into an apartment, killing Stamps and seriously injuring a 10-year-old girl in the back. Stamps ran from the apartment only to die minutes later in his mother's arms in a nearby apartment. Jones was tried to jury in Jackson County by Attorney General Koster and with the assistance of the Public Safety Chief Counsel.

State v. Chad Michael Harvey. Chad Harvey pleaded guilty and was sentenced to life in prison for his part in the 2009 kidnapping and murder by asphyxiation of James McNeely, who had been living with his family. McNeely's body was later found bound with wire in the back of a refrigerated truck leased to the defendant's father.

State v. Curtis Smith. Curtis Smith was convicted of multiple counts of child molestation, statutory sodomy, and rape of three separate victims under the age of 12 between 2003 and 2007. For these offenses, the defendant was sentenced to a total of 140 years in prison.

State v. Stephen Munn. Stephen Munn was convicted and sentenced to 12 years in prison for possession of a controlled substance. Munn was arrested by police when they were attempting to serve a search warrant at his residence and located evidence of a methamphetamine lab. Further investigation revealed that the defendant had been transporting a mentally handicapped man, for whose care the defendant was responsible, to purchase pseudoephedrine -- a key ingredient used to manufacture meth -- at local pharmacies in exchange for sodas.

The division in 2010 filed criminal charges in 54 workers' compensation fraud and insurance noncompliance cases. For the year, more than \$692,000 was assessed against violators, with actual monies collected from violators totaling \$580,425.



Public Safety Division (continued)

SEXUAL PREDATORS

In 2010, division attorneys obtained the civil commitment of 19 sexually violent persons. Seventeen of the commitments were obtained by jury trial and included lifetime child molesters and sadistic rapists. Currently there are 162 people committed under the Sexually Violent Predator law. None of these predators will be released into Missouri communities until that person's mental abnormality no longer causes them to be likely to commit sexually violent offenses.

Some noteworthy sexual predator cases include:

In re: Harry Turner. Evidence showed Turner reported he had a sexual preference for boys and girls ranging from age nine months to 10 years. Turner had been convicted of, or admitted to, molesting 10 different victims, including his three-year-old son. Turner told police on his last arrest that he had tried to stop but could not, and he told the arresting officer prior to his incarceration that if he were set free he would molest again.

In re: Joseph Miller. Miller had been molesting children for over 25 years until his last incarceration, including over a dozen identified victims ranging in ages from three to 14. Miller admitted he would ride his bicycle in neighborhoods prowling for young girls and would solicit them for a "favor," molesting them if they agreed. Miller stated he would have "had more victims if some of them hadn't already been educated to run away."

In re: Robert Bunse. Bunse had been convicted for molesting a 6-year-old girl. He completed sex offender treatment while in prison but shortly after his release on parole was arrested and charged for molesting a 4-year-old girl.

In 2010, the division's Victim Services Unit served 696 crime victims, making 1696 individual contacts with them. In addition, the unit served 375 victims associated with sexually violent predator litigation, making 1,758 contacts with them.

HABEAS CORPUS

Division attorneys defend the state in all habeas corpus actions filed by inmates in state and federal courts. Typically, these cases involve offenders filing lawsuits to challenge the basis or duration of their custody after they have lost all their direct appeals.

During 2010, the habeas unit defended the state's interest in 624 new cases in state and federal courts, a 35 percent increase over the previous year.



Public Safety Division (continued)

INTERNET CRIMES AGAINST CHILDREN FORENSICS LAB

The division's High Technology and Computer Crimes Unit merged into the Internet Crimes Against Children Forensics Lab at the end of 2010. This lab helped local law enforcement with investigations and prosecutions of computer and Internet crimes. The lab performs computer forensic examinations and investigates cases involving the victimization of children. This year, forensic examiners in the unit ramped up efforts to locate individuals sharing child pornography, initiating 25 child pornography investigations and resulting in seven search warrants and the submission of 9 cases to other law enforcement agencies for prosecution. Investigators provided services to 31 counties and the city of St. Louis, as well as assistance to law enforcement agencies from nine other states. The staff assisted with 101 separate criminal investigations and performed 22 computer forensic examinations. These extensive investigations involved the analysis of more than 10.8 terabytes of data, which is larger than the digitized version of all the written works of the U.S. Library of Congress.

Forensic examiners with the computer crime lab also provided training and public education to a wide variety of groups, including law enforcement agencies, private investigators, and the general public. Some of the more important presentations included internet safety courses to local schools and training on "Identifying and Seizing Electronic Evidence" for law enforcement and investigators.





Public Safety Division (continued)

MEDICAID FRAUD

The Medicaid Fraud Control Unit (MFCU) prosecutes fraud of the Medicaid program by healthcare providers and prosecutes abuse or neglect of Medicaid recipients by caregivers. The MFCU receives referrals or tips on potential Medicaid fraud and patient abuse/neglect from citizens and state agencies.

NOTABLE CASES:

State v. Kevin Louderback. Kevin Louderback pleaded guilty to 12 felony counts of Medicaid fraud, insurance fraud, and forgery. He misappropriated more than \$700,000 from the Medicaid program and was sentenced to 12 years in prison. This was the largest sentence ever imposed in a Missouri Medicaid Fraud case. Evidence showed that Louderback had furnished applications with false information to the Missouri Health Insurance Premium Payment program, which pays for the private health insurance premiums for certain individuals with high medical costs. Evidence showed that Louderback represented to the program that the monthly insurance premium rates were greater than they actually were and then pocketed the overpayment. The defendant also offered a kickback to people to get them to enroll in an insurance program, fraudulently misstated an insurance company's rate, and then forged the documents to set out the false rate.

State v. Teresita Manubay, M.D. A civil judgment was obtained against Dr. Manubay, a pediatrician, requiring the payment of \$200,055 for improperly billing office visits for preventive/routine "well-child" checks that had not been rendered.

State v. Samuel Miller. Samuel Miller, a dentist, was convicted after pleading guilty to 13 felony counts of Medicaid Fraud. The defendant was required to repay the state fully the \$550,000 he received for fraudulently billing x-rays, root canals, and resin-based composite restorations he did not perform.

The Medicaid Fraud Control Unit recovered more than \$43 million of taxpayers' money in 2010.

"One of my top priorities as Attorney General is to enforce our laws against those who cheat Missouri taxpayers by committing Medicaid fraud. This kind of outrageous and illegal conduct diverts medical resources that would otherwise be directed to truly needy Missourians. Those who would steal from Missouri taxpayers must understand that we will find you and prosecute you to the fullest extent."

Attorney General Koster